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October 22, 2019

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Dr. Randy O'Rear, President
University of Mary Hardin-Baylor
900 College Str.
Belton, TX 76513

Dear Dr. O'Rear,

The Texas Higher Education Coordinating Board (THECB) conducted a Compliance Monitoring Audit of the Nursing Shortage Reduction Program (NSRP) at the University of Mary Hardin-Baylor. During the course of the engagement, there was one matter related to program requirements we want to report to you. No management response is required.

Program Requirements

The program announcement for the Nursing Shortage Reduction Program states, that "[a]ny award under this program must be accounted for separately by institution, by NSRP program, and by year in order to facilitate the recordkeeping requirements associated with multiple NSRP programs that may be open over a several year period."

The Texas Administrative Code Section §22.508 states that as an Accounting Requirement "Each award from this program shall be accounted for separately in the books and records of receiving institutions."

This requirement is further emphasized in the NSRP Program Announcement in which institutions respond with application for funds. University of Mary Hardin-Baylor's NSRP programs were not accounted for separately by program and award year as required.

Weaver and Tidwell conducted an audit of UMHB's NSRP grant in fiscal year 2017 concluding that *"the University did not track individual Nursing Shortage Reduction Program (NSRP) grants by year in separate general ledger accounts."* Weaver and Tidwell's recommendation stated: *"Going forward, we recommend that management record expenses in separate general ledger expense accounts according to the respective grant years."*

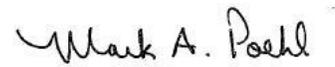
UMHB concurred with the recommendation, however the corrective action plan has not yet been implemented. UMHB stated the separation of accounts would occur once new NSRP funds were allocated to the institution and *"Going forward, we will establish a separate and distinct general ledger account number for each grant year."*

Recommendation

We concur with Weaver and Tidwell that going forward management should record expenses in separate general ledger expense accounts.

If you have any questions or comments, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl". The signature is written in a cursive style with a small mark above the "l".

Mark A. Poehl, CPA, CIA, CISA, CFE
Director, Internal Audit and Compliance

cc: Jennifer Ramm, Vice President for Business and Finance & Chief Financial Officer